

Right To Lease

Right To Lease Proposed Ordinance

Community Meeting

August 19, 2017



Right To Lease

Purpose of this community meeting?

- **Conduct outreach to residents and landlords on a proposed “Right To Lease” ordinance and report back to the City Council on these efforts for their consideration at a future Council meeting (September 2017)**

Right To Lease

What does the proposed Right To Lease ordinance do?

- **The proposed ordinance requires landlords to offer lease agreements to tenants in Glendale.**
- **Intent: Provide tenants housing stability and minimize displacement in a volatile rental housing market.**



Right To Lease

Is the proposed Right To Lease ordinance rent control?

- **The proposed ordinance is NOT a rent control measure. Landlords will still be allowed to set their own rental rates and rent increases, as long as it complies with the terms set forth in the proposed ordinance.**

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Are there Exemptions?: YES

- Rental units located on a parcel containing four or fewer dwelling units or within a common interest development;
- Rooms or accommodations in hotels;
- Section 8 housing and/or other government subsidized units;
- Rental units subject to a covenant or agreement with a government agency, including the City, the Housing Authority, the State of California, or the federal government, restricting the rental rate that may be charged for that unit;



Right To Lease

Are there Exemptions?: YES

- Rental units where tenancy is a condition of employment under a written rental agreement or contract or a unit leased to a corporation; and
- Other limited circumstances.

Right To Lease

The City Council held a series of meetings last year in which they looked at housing issues in Glendale, in particular housing costs associated with the rental housing stock in the City.

Right To Lease

- **CA Market Has Shortage of Housing Supply and Lingering Effects of Housing Crash and Great Recession**
- **Avg. CA Home Cost is Higher than the US**
 - **CA Home Costs 2.5X Higher**
 - **CA Rent is 50% Higher**
- **Growth of Housing Costs Have Outpaced Growth of the Average Household's Income**

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- **Median Rent = \$1,309/Mo.**
 - Rank in LA County = 45/88
 - Pasadena Median Rent = \$1,375/Mo. (35)
 - Burbank Median Rent = \$1,394/Mo. (29)
- **LA City Median Rent = \$1,194/Mo.**
- **CA Median Rent = \$1,243/Mo.**

Right To Lease

What Does the Data Mean?

- CA Is Not Building Enough Housing
- Glendale Is Not A Unique Situation
- Housing Not Affordable Under Current Conditions
- Buildings sell: New owner = higher rents



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What Does the Data Mean?

- **Incomes Not Keeping Up with Rising Housing Costs**
- **Demand is Placing Greater Pressure on Existing/Projected Housing Stock**

All of the above results in volatile market.



Right To Lease

City has a demonstrated commitment to providing balanced, quality housing for lower income residents through a variety of housing options:

- **Rental** (New Construction, MF Rehab, Density Bonus, Section 8)
- **Homeownership** (New Construction, FTHB, Density Bonus)
- **Emergency Shelter** (Ascencia & Winter Shelter)
- **Transitional Housing** (Shelter+Care, Scattered Site Projects)

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In response, Council directed staff to study proposing new legislation that would:

- **Provide tenants stability in a volatile rental market;**
- **Minimize displacement caused by significant rental rate increases; and**

Right To Lease

Two types of rental agreements:

- **Month-to-Month Tenancy**

Flexible time commitment

Changes to agreement require 30 day notice - 60 for rent >10%

(State law - no change allowed)

- **Lease Agreement (typically 1 year leases)**

No changes until lease expires

Right To Lease

Right To Lease Proposed Ordinance:

- * Require landlords to offer a one year lease, with an Option to renew for a second year.**
- * Tenant required to exercise the first renewal no later than 30 days prior to the expiration of the existing term year.**
- * 120 days prior to expiration of Year 2 Option, landlord must offer Year 3 Option lease.**
- * Tenant must accept or reject Year 3 Option within 60 days of expiration of Year 2.**

RIGHT TO LEASE

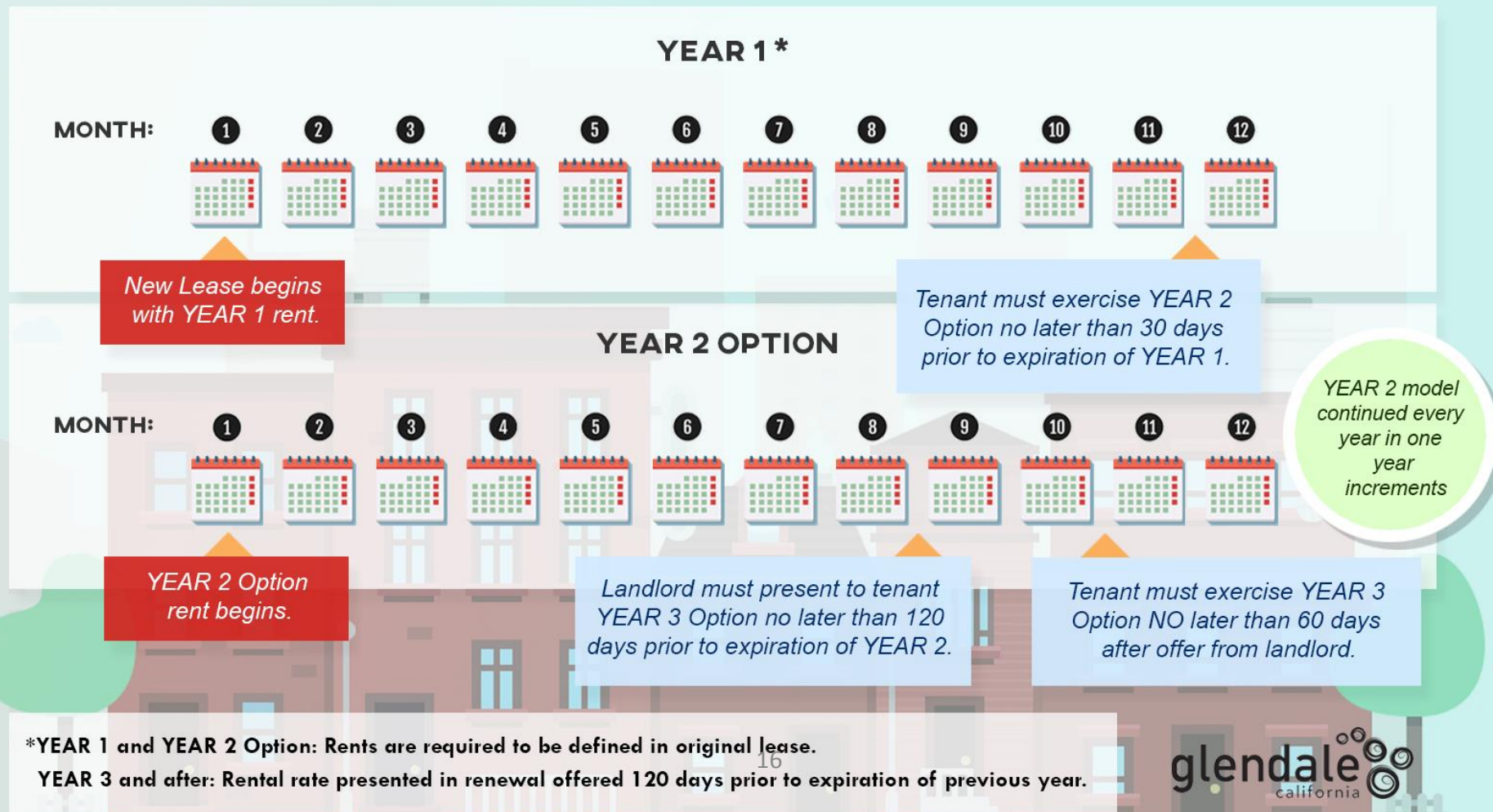
The proposed Right To Lease Ordinance will require landlords to offer a 1 year initial lease agreement for rent to all tenants, along with a tenant option to renew for a second year. This requirement will apply to all residential units in apartment buildings of five units or more. The initial lease agreement must be a 1 year (12 months) lease term, with a tenant option to renew for the second year term (by no later than Month 11 of Year 1).

If the second year is accepted by the tenant, then the landlord will be required to submit additional lease terms, in 1 year increments, at specified times (Month 8), for each subsequent year.

A COPY OF THE PROPOSED ORDINANCE CAN BE VIEWED AT: www.glendaleca.gov/righttolease

This proposed ordinance is designed to provide tenants with some assurance of stability under the terms of a written lease so as to minimize displacement and harm to tenants in a volatile rental housing market, without dictating the amount of rent or increases, on landlords.

Please see example below:



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Right To Lease:

If at the time of ordinance adoption there is NO lease in place with existing tenant (month-to-month), then:

- Within 30 days of the effective date of the ordinance, landlord is required to offer a written One-Year Lease and Year 2 Option in accordance with this ordinance.
- The rental rate cannot change for the first 120 days of the lease.



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Right To Lease:

If at the time of ordinance adoption there IS a lease in place with existing tenant, then:

- The landlord must wait until the end of the existing lease term and then offer a Year 1 Lease with and Option Year 2 as outlined in the proposed ordinance.**

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Next Steps:

Ordinance Introduction– September 2017

City Council Consideration for Adoption –
Typically one week after Introduction

Ordinance becomes effective 30 days after Adoption.

*Outreach and Education efforts planned communitywide if ordinance is **glendale** adopted.*



Right To Lease

**For future announcements, updates,
and more information go to:**

www.glendaleca.gov/righttolease

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QUESTIONS ?

